

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

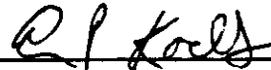
RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO AOL/TW INTERROGATORIES AOL-TW/USPS -T7-13 -7 - 8
(November 14, 2001)

The United States Postal Service hereby provides the response of witness Van-Ty-Smith to the following interrogatories of AOL/Time Warner: AOL-TW/USPS-T13-7 - 8, filed on October 31, 2001. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:



Eric P. Koetting

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November 14, 2001

**RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS
VAN-TY-SMITH TO AOL/TIME WARNER INC.**

AOL-TW/USPS-T13-7 Please refer to your response to interrogatory TWIUSPS-T17-18 in Docket No. R2000-1, Tr. 15/6621-24, and to your distribution in this docket of mail processing costs in Non-MODS facilities,

- a. Please confirm that the methodology you propose for distributing Non-MODS costs in this case is identical to the one you proposed in R2000-1. If not confirmed, please explain all differences.
- b. Please confirm that except for tallies with activity code 6521, representing break-time, you assign all other mail processing Non-MODS tallies to cost pools based on the Question 18 and Question 19 answers stored in fields F128, F9211, F116, F118 and F121 of the IOCS data, plus the uniform operation codes stored in F260. If not confirmed, please explain in detail.
- c. Please confirm that, as in R2000-1, you assign all break-time tallies to a separate cost pool, named "Z BREAKS", and that you do not use any of the recorded Question 18 or Question 19 data, or operation code data, to distribute the break-time costs. If not confirmed, please explain fully.
- d. In Docket R2000-1 you prepared, in response to TW/USPS-T17-18, an alternative distribution of Non-MODS costs that assigned break-time tallies to cost pools in the same way that it assigns all other tallies. Please perform a similar alternative distribution of Non-MODS costs to subclasses and special services, using the BY2000 IOCS data. Please present the results in a manner similar to that you used in R2000-1.

Response to AOL-TW/USPS-T13-7

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. See the attached tables. Table 1 shows a comparison of the distributed ZBREAKS costs to Non-MODS cost pools between the two methods. Table 2 shows a comparison of the Non-MODS volume-variable mail processing costs for subclasses and special services between the two methods.

Response to AOL-TW/USPS-T13-7d - Table 1. Base Year 2000 data

	Distributed ZBREAKS Costs		Total Pool Costs excl. activ=6522 (Clocking in/out)		Total Pool Costs incl. activ=6522 (Clocking in/out)	
	Proportional Distribution of Zbreaks (USPS Method)	Method Described in TW-T13-7d Interrogatory	Proportional Distribution of Zbreaks (USPS Method)	Method Described in TW-T13-7d Interrogatory	Proportional Distribution of Zbreaks (USPS Method)	Method Described in TW-T13-7d Interrogatory
ALLIED	61,319	37,781	696,205	672,667	706,170	682,294
AUTO/MEC	16,121	15,280	183,028	182,187	185,647	184,795
EXPRESS	2,180	269	24,753	22,842	25,107	23,169
MANF	50,788	53,044	576,640	578,895	584,893	587,181
MANL	69,461	98,536	788,643	817,718	799,930	829,423
MANP	16,094	17,009	182,731	183,646	185,346	186,274
MISC	26,738	22,654	303,574	299,490	307,919	303,775
REGISTRY	4,219	2,348	47,900	46,029	48,586	46,687
Total Mail Processing	246,920	246,920	2,803,474	2,803,474	2,843,598	2,843,598

Response to AOL-TW/USPS-T13-7d - Table 2. Base Year 2000 data

BY00 Non-MODS Mail Processing Volume-Variable Costs, incl. Clocking in/Out				
Subclasses	Based on	Based on	Difference Percent	
	Proportional Distribution of Zbreaks (USPS Method)	Method Described in TW-T13-7d Interrogatory	(b)-(a)	(b-a)/a
	(a)	(b)		
First-Class Mail:				
Single Piece Letters	1,053,770	1,062,827	9,057	0.86%
Presort Letters	318,318	319,681	1,363	0.43%
Single Piece Cards	36,065	36,682	617	1.71%
Presort Cards	10,436	10,605	169	1.62%
Total First	1,418,589	1,429,795	11,206	0.79%
Priority Mail	142720	141717	(1,003)	-0.70%
Express Mail	18364	17559	(805)	-4.38%
Periodicals				
In-County	6,259	6,225	(34)	-0.55%
Outside County	162,460	161,302	(1,158)	-0.71%
Total Periodicals	168,718	167,527	(1,192)	-0.71%
Standard Mail (A)				
Enhanced Carrier Route	99,040	97,532	(1,508)	-1.52%
Regular	637,881	640,379	2,498	0.39%
Total Standard (A)	736,921	737,911	990	0.13%
Standard Mail (B)				
Parcels Zone Rate	45,185	44,724	(461)	-1.02%
Bounded Printed Matter	30,560	30,317	(243)	-0.80%
Media Mail	13,494	13,497	3	0.02%
Total Standard (B)	89,239	88,538	(701)	-0.79%
US Postal Service	27,710	27,075	(635)	-2.29%
Free Mail	645	671	25	3.93%
International Mail	15,003	14,760	(243)	-1.62%
Special Services				
Registry	5,260	5,052	(208)	-3.95%
Certified	13,936	12,844	(1,092)	-7.84%
Insurance	88	81	(7)	-7.84%
COD	434	400	(34)	-7.83%
Other Services	10,841	9,992	(850)	-7.84%
Total Special Services	30,558	28,369	(2,190)	-7.17%
Total	2,648,469	2,653,921	5,452	0.21%

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AOL-TWIUSPS-T13-8 Please refer to the field named F114 in the IOCS dataset.

- a. Please confirm that for the MODS mail processing tallies, F114 contains the 3-digit MODS number based on which you assign tallies to cost pools.
- b. Please confirm that the majority of Non-MODS and BMC mail processing tallies also contain 3-digit codes in F114.
- c. Are the 3-digit codes found in F114 on most Non-MODS and BMC tallies recorded by the IOCS clerks? If no, how were they generated? If yes, based on what instructions were these numbers recorded?
- d. Please explain the meaning of each 3-digit number found in field F114 of Non-MODS tallies. Please also provide any written documentation explaining the meaning of these numbers.
- e. Please explain the meaning of each 3-digit number found in field F114 of BMC tallies. Please also provide any written documentation explaining the meaning of these numbers.

Response to AOL-TWIUSPS-T13-8

- a. Confirmed.
- b. Confirmed.
- c. Yes. Please refer to Chapter 11, pages 11-1 to 11-3 of Handbook F-45 filed in USPS-LR-I-14 in Docket No. R2000-1.
- d. See response to c. From the instructions in the F-45 handbook, the operation code in field F114 represents the operation number (if any) into which the employee is clocked at the time of the reading. I am not aware of any written documentation providing standardized definitions of the operations numbers for offices outside the MODS system. Consequently, the Postal Service methodology does not use or rely on the 3-digit codes

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recorded in field F114 to partition the tallies into components and cost pools for the Non-MODS facilities.

- e. See response to c. The Postal Service methodology does not use or rely on the 3-digit codes recorded in field F114 to partition the tallies into components and cost pools for the BMC's. It is my understanding that the definitions of the operation numbers used at BMCs generally differ from the MODS definitions and may further vary from office to office. For further details, please refer to Postal Service's response in Docket No. R97-1 to DMA/USPS-T14-34 (redirected from witness Bradley), Tr. 19B/8719-23, and the Postal Service's responses to the follow-ups to that response, DMA/USPS-2 - 10, Tr. 19B/8677-87.

DECLARATION

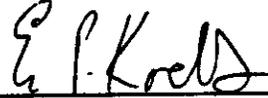
I, Eliane Van-Ty-Smith, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Eliane Van Ty Smith

Dated: 11-13-01

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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